

## WPP GROUP PLC

## Preliminary results for the year ended 31 December, 2001

## Unaudited preliminary consolidated profit &amp; loss account for the year ended 31 December, 2001

	Notes	2001 £m	2000 Restated <sup>2</sup> £m	+/-%	Constant Currency (Note 3) +/-%
<b>Turnover (gross billings)</b>		20,886.9	13,949.4	+49.7%	+47.8%
<b>Revenue</b>	4	4,021.7	2,980.7	+34.9%	+33.0%
<b>Gross Profit</b>		3,789.7	2,736.1	+38.5%	+36.6%
<b>Operating costs:</b>					
Operating costs excluding goodwill		(3,269.4)	(2,341.6)	-39.6%	-37.6%
Goodwill amortisation and impairment		(14.8)	(15.1)	+2.0%	+2.0%
<b>Total Operating Costs</b>		(3,284.2)	(2,356.7)	-39.4%	-37.3%
<b>Operating profit</b>		505.5	379.4	+33.2%	+32.1%
Income from associates		40.8	38.0	+7.4%	+11.2%
<b>Profit on ordinary activities before interest, taxation, investment gains and write downs</b>		546.3	417.4	+30.9%	+30.3%
Net gain on disposal of investments	5	6.8	–	–	–
Amounts written off fixed asset investments	5	(70.8)	–	–	–
Net interest payable and similar charges		(71.3)	(51.7)	-37.9%	-34.4%
<b>Profit on ordinary activities before taxation</b>		411.0	365.7	+12.4%	+11.6%
Tax on profit on ordinary activities	6	(126.1)	(109.7)	-14.9%	-16.1%
<b>Profit on ordinary activities after taxation</b>		284.9	256.0	+11.3%	+9.7%
Minority interests		(13.7)	(11.3)	-21.2%	-21.7%
<b>Profit attributable to ordinary share owners</b>		271.2	244.7	+10.8%	+9.1%
Ordinary dividends	7	(51.6)	(37.8)	+36.5%	+36.4%
<b>Retained profit for the year</b>		219.6	206.9	+6.1%	+3.9%
<b>PBIT<sup>1</sup></b>		561.1	432.5	+29.7%	+31.7%
<b>PBIT<sup>1</sup> margin</b>		14.0%	14.5%		
<b>PBT<sup>1</sup></b>		489.8	380.8	+28.6%	+28.4%
<b>Headline earnings per share<sup>4</sup></b>					
Basic earnings per ordinary share	8	31.8p	31.1p	+2.2%	+1.4%
Diluted earnings per ordinary share	8	30.6p	30.1p	+1.7%	+0.9%
<b>Standard earnings per share</b>					
Basic earnings per ordinary share	8	24.6p	29.3p	-16.0%	-13.3%
Diluted earnings per ordinary share	8	23.7p	28.4p	-16.2%	-13.6%
<b>Headline earnings per ADR<sup>3,4</sup></b>					
Basic earning per ADR		\$2.29	\$2.36	-3.0%	+2.2%
Diluted earnings per ADR		\$2.20	\$2.28	-3.5%	+1.6%
<b>Standard earnings per ADR<sup>3</sup></b>					
Basic earnings per ADR		\$1.77	\$2.22	-20.3%	-20.3%
Fully diluted earnings per ADR		\$1.71	\$2.15	-20.5%	-20.5%

<sup>1</sup> PBIT: Profit on ordinary activities before interest and taxation, excluding goodwill charges, investment gains and write downs.

PBT: Profit on ordinary activities before taxation, excluding goodwill charges, investment gains and write downs.

<sup>2</sup> The 2000 profit and loss account has been restated as a result of the implementation of FRS17 (Retirement Benefits) in the Group's 2001 financial statements.

<sup>3</sup> These figures have been translated for convenience purposes only, using the profit and loss exchange rate shown in note 3

<sup>4</sup> Headline earnings per ordinary share and ADR excludes goodwill charges, investment gains and write downs.

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## Unaudited preliminary consolidated cash flow statement for the year ended 31 December, 2001

	2001	2000
	£m	Restated £m
<b>Reconciliation of operating profit to net cash inflow from operating activities:</b>		
Operating profit	505.5	379.4
Depreciation, amortisation and impairment charge	124.7	78.9
Movements in working capital	(166.4)	260.7
Movements in provisions, other debtors and creditors	(289.9)	(94.6)
<b>Net cash inflow from operating activities</b>	<b>173.9</b>	<b>624.4</b>
<b>Dividends received from associates</b>	<b>14.7</b>	<b>7.6</b>
<b>Return on investments and servicing of finance</b>	<b>(56.4)</b>	<b>(66.0)</b>
<b>United Kingdom and overseas tax paid</b>	<b>(77.5)</b>	<b>(81.4)</b>
Purchase of tangible fixed assets	(118.1)	(111.9)
Purchase of own shares by ESOP trust	(103.3)	(94.1)
Other movements	4.2	6.9
<b>Capital expenditure and financial investment</b>	<b>(217.2)</b>	<b>(199.1)</b>
Cash consideration for acquisitions	(692.8)	(206.5)
Less overdrafts acquired	(21.1)	(33.6)
Purchases of other investments	(43.2)	(40.9)
Proceeds from disposal of other investments	26.8	–
<b>Total acquisitions</b>	<b>(730.3)</b>	<b>(281.0)</b>
<b>Equity dividends paid</b>	<b>(44.4)</b>	<b>(25.6)</b>
<b>Net cash outflow before management of liquid resources and financing</b>	<b>(937.2)</b>	<b>(21.1)</b>
<b>Management of liquid resources</b>	<b>(76.8)</b>	<b>–</b>
<b>Financing</b>		
(Repayment) / Increase in drawings on bank loans	(184.1)	126.6
Eurobond issue proceeds	614.1	–
Proceeds from issue of shares	69.0	78.0
<b>Net cash inflow from financing</b>	<b>499.0</b>	<b>204.6</b>
<b>(Decrease) / Increase in cash and overdrafts for the year</b>	<b>(515.0)</b>	<b>183.5</b>
Translation difference	10.7	35.1
<b>Balance of cash and overdrafts at beginning of year</b>	<b>770.0</b>	<b>551.4</b>
<b>Balance of cash and overdrafts at end of year</b>	<b>265.7</b>	<b>770.0</b>
<b>Reconciliation of net cash flow to movement in net (debt)/ funds:</b>		
(Decrease) / Increase in cash and overdrafts for the year	(515.0)	183.5
Cash outflow from increase in liquid resources	76.8	–
Cash inflow from debt financing	(430.0)	(126.6)
Debt acquired	–	(194.9)
Other movements	(1.1)	(1.9)
Translation difference	8.8	23.4
<b>Movement of net (debt)/ funds in the year</b>	<b>(860.5)</b>	<b>(116.5)</b>
<b>Net (debt)/ funds at beginning of year</b>	<b>(24.6)</b>	<b>91.9</b>
<b>Net (debt)/ funds at end of year (Note 13)</b>	<b>(885.1)</b>	<b>(24.6)</b>

## WPP GROUP PLC

## Unaudited preliminary consolidated balance sheet as at 31 December, 2001

	Notes	2001 £m	2000 Restated <sup>1</sup> £m
<b>Fixed assets</b>			
Intangible assets:			
Corporate brands		950.0	950.0
Goodwill	9	<u>4,439.9</u>	<u>3,497.3</u>
		5,389.9	4,447.3
Tangible assets			
Investments	5	553.5	551.5
		6,376.2	5,389.0
<b>Current assets</b>			
Stocks and work in progress		236.9	241.1
Debtors	10	2,391.8	2,181.0
Debtors within working capital facility:			
Gross debts		331.0	464.9
Non-returnable proceeds		<u>(82.5)</u>	<u>(231.6)</u>
		248.5	233.3
Current asset investments		76.8	–
Cash at bank and in hand		585.6	1,067.6
		3,539.6	3,723.0
<b>Creditors:</b> amounts falling due within one year	11	(4,322.0)	(4,252.4)
		(782.4)	(529.4)
<b>Net current liabilities</b>		(782.4)	(529.4)
<b>Total assets less current liabilities</b>		5,593.8	4,859.6
<b>Creditors:</b> amounts falling due after more than one year (including convertible loan note)			
	12	(1,711.5)	(1,279.6)
<b>Provisions for liabilities and charges</b>		(106.1)	(98.2)
<b>Net assets excluding pension provision</b>		3,776.2	3,481.8
Pension provision		(135.3)	(87.7)
<b>Net assets including pension provision</b>		3,640.9	3,394.1
<b>Capital and reserves</b>			
Share capital		115.0	111.2
Reserves		3,484.8	3,258.7
<b>Share owners' funds</b>		3,599.8	3,369.9
Minority interests		41.1	24.2
<b>Total capital employed</b>		3,640.9	3,394.1

<sup>1</sup> The 2000 balance sheet has been restated as a result of the implementation of FRS17 (Retirement Benefits) in the Group's 2001 financial statements.

## WPP GROUP PLC

**Unaudited preliminary statement of consolidated total recognised gains and losses for the year ended  
31 December 2001**

	<b>2001</b>	<b>2000</b>
	£m	£m
Profit for the year	271.2	244.7
Exchange adjustments on foreign currency net investments	(80.6)	(133.0)
Actuarial loss on defined benefit pension schemes in accordance with FRS17 (Retirement Benefits)	(43.0)	(27.0)
<b>Total recognised gains relating to the year</b>	<b>147.6</b>	<b>84.7</b>
Prior year adjustment on implementation of FRS17 (Retirement Benefits)	(13.0)	
<b>Total gains and losses recognised since last annual report</b>	<b>134.6</b>	

**Unaudited preliminary reconciliation of movements in consolidated share owners' funds  
for the year ended 31 December 2001**

	<b>2001</b>	<b>2000</b>
	£m	£m
Total recognised gains	147.6	84.7
Ordinary dividends payable	(51.6)	(37.8)
	96.0	46.9
Shares issued for the acquisition of Y&R Inc.	61.5	2,413.5
Reserve for shares to be issued	1.6	547.3
Share issue costs charged to merger reserve	(0.9)	(35.0)
Other share issues	69.8	64.0
Other movements	1.9	-
<b>Net additions to share owners' funds</b>	<b>229.9</b>	<b>3,036.7</b>
<b>Opening share owners' funds as previously reported</b>	<b>3,409.9</b>	<b>346.2</b>
Prior year adjustment on implementation of FRS17 (Retirement Benefits)	(40.0)	(13.0)
Opening share owners' funds, as restated	3,369.9	333.2
<b>Closing share owners' funds</b>	<b>3,599.8</b>	<b>3,369.9</b>

## WPP GROUP PLC

### Notes to the unaudited preliminary consolidated financial statements

#### 1. Basis of accounting

The unaudited preliminary consolidated financial statements are prepared under the historical cost convention.

#### 2. Accounting policies

The unaudited preliminary consolidated financial statements comply with relevant accounting standards (UK GAAP) and have been properly prepared using accounting policies set out on page 56 and 57 of the Group's 2000 Annual Report and Accounts apart from the adoption of FRS 17 (Retirement Benefits). The impact on the financial statements as a result of the adoption of this new standard is described below.

FRS 17 requires that the financial statements reflect at fair value the assets and liabilities arising from an employer's retirement benefit obligations and any related funding. The operating costs of providing retirement benefits to employees are recognised in the accounting period in which the benefits are earned by the employees, and the related finance costs and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise. The standard is mandatory for all accounting periods ending on or after 22 June 2003 but, consistent with the ASB's encouragement for companies to adopt early, the Group has decided to implement FRS17 in its 2001 financial statements. In accordance with FRS17, the impact of early adoption has resulted in a prior year restatement of £13 million of pension provisions. The effects of the early adoption of FRS17 and the resulting prior year adjustments are shown in the statement of consolidated total recognised gains and losses and the reconciliation of movements in consolidated share owners' funds. 2000 operating profit increases by £1.4 million with a net nil impact on Profit Before Tax.

#### 3. Currency conversion

The 2001 unaudited preliminary consolidated profit and loss account is prepared using, among other currencies, an average exchange rate of US\$1.4401 to the pound (2000: US\$1.5162). The unaudited preliminary consolidated balance sheet as at 31 December 2001 has been prepared using the exchange rate on that day of US\$1.4542 to the pound (2000: US\$1.4937).

The unaudited preliminary consolidated profit and loss account and balance sheet are presented in Euros in Appendix II for illustrative purposes. The unaudited preliminary consolidated profit and loss account has been prepared using an average exchange rate of €1.6086 to the pound (2000: €1.6428). The unaudited preliminary balance sheet at 31 December 2001 has been prepared using the exchange rate on that day of €1.6322 to the pound (2000: €1.5912).

The constant currency percentage changes shown on the face of the profit and loss account have been calculated by applying 2001 exchange rates to the results for 2000 and 2001 for both the Sterling and Euro financial statements.

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Notes to the unaudited preliminary consolidated financial statements (continued)

**4. Segmental Information**

Reported contributions by geographical area were as follows:

	<b>2001</b>	<b>2000</b>
	£m	£m
<b>Revenue</b>		
United Kingdom	627.3	532.4
United States	1,763.1	1,273.6
Continental Europe	870.9	586.3
Canada, Asia Pacific, Latin America, Africa & Middle East	760.4	588.4
	<b>4,021.7</b>	<b>2,980.7</b>
<b>PBIT<sup>1</sup> before goodwill charges</b>		
United Kingdom	73.9	70.3
United States	257.6	200.3
Continental Europe	119.7	82.1
Canada, Asia Pacific, Latin America, Africa & Middle East	109.9	79.8
	<b>561.1</b>	<b>432.5</b>

Reported contributions by operating sector were as follows:

	<b>2001</b>	<b>2000</b>
	£m	£m
<b>Revenue</b>		
Advertising and media investment management	1,841.5	1,399.0
Information and consultancy	590.3	512.1
Public relations and public affairs	502.1	330.1
Branding and Identity, Healthcare and Specialist Communications	1,087.8	739.5
	<b>4,021.7</b>	<b>2,980.7</b>
<b>PBIT<sup>1</sup> before goodwill charges</b>		
Advertising and media investment management	319.4	232.8
Information and consultancy	57.6	51.6
Public relations and public affairs	48.3	43.2
Branding and Identity, Healthcare and Specialist Communications	135.8	104.9
	<b>561.1</b>	<b>432.5</b>

<sup>1</sup>PBIT: Profit on ordinary activities before interest, taxation, goodwill charges, investment gains and write downs.

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Notes to the unaudited preliminary consolidated financial statements (continued)

**5. Investment gains and write downs**

The net gain on disposal of investments comprises:

	£m
Gains on disposals of investments	16.7
Losses on disposals of investments	(9.9)
Net gain on disposal of investments	<u>6.8</u>

Gains were realised on the disposal of part of the Group's listed holdings in Singleton Group Limited and Chime Communications plc. Losses were realised on the disposal of the Group's equity investment in Symmetrical Holdings Inc. The tax effect of these gains was a charge of £8.6 million which has been mitigated by a release of excess tax provisions of £15.5 million relating to prior years.

Amounts written off fixed asset investments relate to write down on the Group's non core minority investments in new media companies and other technology ventures in light of the collapse in technology equity valuations. These write downs have had no material impact on the tax charge.

During 2001 £22.5 million (2000: £7.9 million) of excess provisions relating to prior year acquisitions were released to the profit and loss account within operating profit.

**6. Taxation**

The Group tax rate on profit on ordinary activities before taxation and investment gains is 28% (30 June, 2000: 30%; year ended 31 December, 2000: 30%). The tax charge comprises:

	<b>2001</b>	<b>2000</b>
	£m	£m
Total current tax	122.1	106.7
Total deferred tax	(5.5)	(10.6)
Share of associates tax	16.4	13.6
	<u>133.0</u>	<u>109.7</u>
Tax on investment gains (see Note 5)	(6.9)	–
Total tax on profits	<u>126.1</u>	<u>109.7</u>

## WPP GROUP PLC

Notes to the unaudited preliminary consolidated financial statements (continued)

### 7. Ordinary dividends

The Board has recommended a final dividend of 3.06p (2000: 2.55p) per ordinary share. In addition to the interim dividend paid of 1.44p (2000: 1.20p) per ordinary share, this makes a total for the year of 4.50p (2000: 3.75p) per ordinary share. The final dividend is expected to be paid on 8<sup>th</sup> July 2002 to share owners on the register at 7<sup>th</sup> June 2002.

		2001	2000
<b>Ordinary dividend per share</b>	- interim	1.44p	1.2p
	- final	3.06p	2.55p
<b>Ordinary dividend per ADR</b>	- interim	10.4c	9.4c
	- final	22.0c	19.3c

### 8. Earnings per share

Basic and diluted earnings per share have been calculated in accordance with FRS14 "Earnings per Share".

- (a) Headline basic earnings per share have been calculated using earnings of £271.2 million (2000: £244.7 million), and adjusted for goodwill charges, investment gains and write downs of £78.8 million (2000: £15.1 million). The weighted average shares in issue used was 1,101,937,750 shares (2000: 834,280,801 shares).
- (b) Headline diluted earnings per share have been calculated using earnings of £271.2 million (2000: £244.7 million), and adjusted for goodwill charges, investment gains and write downs of £78.8 million (2000: £15.1 million) and for income arising on the convertible loan note of £3.6 million (2000: £0.9 million). The weighted average shares used was 1,157,080,255 shares (2000: 865,978,000 shares). This takes into account the exercise of employee share options where these are expected to dilute earnings and the \$287.5 million of convertible bond.
- (c) Standard basic earnings per share have been calculated using earnings of £271.2 million (2000: £244.7 million) and weighted average shares in issue during the year of 1,101,937,750 shares (2000: 834,280,801 shares).
- (d) Standard diluted earnings per share have been calculated using earnings of £271.2 million (2000: £244.7 million), and adjusted for income arising on the convertible loan note of £3.6 million (2000: £0.9 million). The weighted average shares used was 1,157,080,255 shares (2000: 865,978,000 shares). This takes into account the exercise of employee share options where these are expected to dilute earnings and the \$287.5 million of convertible bond.



## WPP GROUP PLC

### Notes to the unaudited preliminary consolidated financial statements (continued)

(e) At 31 December 2001, there were 1,149,583,610 ordinary shares in issue.

### 9. Goodwill

Total goodwill of £981.4 million arising during the year includes £942.6 million in respect of acquisitions of subsidiary undertakings.

Cash paid in respect of these acquisitions was £692.8 million (2000: £206.5 million). Future anticipated payments to vendors total £288.2 million (2000 : £302.3 million), based on the directors' best estimates of future obligations, which are dependent on future performance of the interests acquired. £103.1 million of earnout payments are expected to be paid during 2002.

During the year, £14.8 million (2000: £6.6 million) was charged to operating profit for goodwill amortisation. In addition, during 2000 £8.5 million was charged to operating profit arising from the impairment of goodwill during that year due to the adjustment of the carrying value of goodwill to its recoverable amount.

The directors continue to assess the useful life of goodwill arising on acquisitions. Gross goodwill of £340 million (2000: £131 million) is subject to amortisation over periods of up to 20 years.

### 10. Debtors

The following are included in debtors:

	<u>2001</u> £m	<u>2000</u> £m
Trade debtors	1,840.5	1,699.4
Prepayments and accrued income	126.0	129.3
Deferred tax	61.5	57.4
Other debtors	363.8	294.9
	<u>2,391.8</u>	<u>2,181.0</u>

The deferred tax asset is regarded as recoverable since, based on all available evidence, including forecasts of profit, it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

## WPP GROUP PLC

Notes to the unaudited preliminary consolidated financial statements (continued)

### 11. Creditors: amounts falling due within one year

The following are included in creditors falling due within one year:

	<u>2001</u> £m	<u>2000</u> £m
Bank loans and overdrafts	319.9	297.6
Trade creditors	2,506.2	2,574.9
Corporate income tax payable	51.3	42.4
Deferred income	322.2	267.6
Payments due to vendors (note 9)	103.1	94.1
Other creditors and accruals	1,019.3	975.8
	<u>4,322.0</u>	<u>4,252.4</u>

Overdraft balances included within bank loans and overdrafts amount to £319.9 million (2000: £297.6 million).

### 12. Creditors: amounts falling due after more than one year

The following are included in creditors falling due after more than one year:

	<u>2001</u> £m	<u>2000</u> £m
Corporate bond, convertible loan note and bank loans	1,227.6	794.6
Corporate income taxes payable	222.2	212.5
Payments due to vendors (note 9)	185.1	208.2
Other creditors and accruals	76.6	64.3
	<u>1,711.5</u>	<u>1,279.6</u>

The corporate bond, convertible loan note, bank loans and overdrafts included within short and long term creditors fall due for repayment as follows:

	<u>2001</u> £m	<u>2000</u> £m
Within one year	319.9	297.6
Between 1 and 2 years	221.7	–
Between 2 and 5 years	546.0	727.7
Over 5 years	459.9	66.9
	<u>1,547.5</u>	<u>1,092.2</u>

## WPP GROUP PLC

Notes to the unaudited preliminary consolidated financial statements (continued)

### 13. Net (debt)/ funds

	<u>2001</u> £m	<u>2000</u> £m
Cash at bank and in hand	585.6	1,067.6
Current asset investments	76.8	–
Bank loans and overdrafts due		
Within one year (note 11)	(319.9)	(297.6)
Corporate bond, convertible loan note and loans due		
After one year (note 12)	<u>(1,227.6)</u>	<u>(794.6)</u>
Net (debt)/ funds	<u><u>(885.1)</u></u>	<u><u>(24.6)</u></u>

### 14. Statutory information and audit review

The results for the year to 31 December 2001 do not constitute statutory accounts and are unaudited. The statutory accounts for the year ended 31 December 2000 received an unqualified auditors' report and have been filed with the Registrar of Companies.

## WPP GROUP PLC

## Appendix II

## Preliminary results for the year ended 31 December, 2001

Unaudited preliminary consolidated profit &amp; loss account for the year ended 31 December, 2001

Presented in Euros for illustrative purposes only

	2001	2000	Constant
	€m	Restated <sup>2</sup> €m	Currency (Note 3) +/-%
<b>Turnover (gross billings)</b>	33,598.7	22,916.1	+47.8%
<b>Revenue</b>	6,469.3	4,896.7	+33.0%
<b>Gross Profit</b>	6,096.1	4,494.9	+36.6%
<b>Operating costs:</b>			
Operating costs excluding goodwill	(5,259.2)	(3,846.8)	-37.6%
Goodwill amortisation and impairment	(23.8)	(24.8)	+2.0%
<b>Total Operating Costs</b>	(5,283.0)	(3,871.6)	-37.3%
<b>Operating profit</b>	813.1	623.3	+32.1%
Income from associates	65.6	62.4	+11.2%
<b>Profit on ordinary activities before interest, taxation, exceptionals and fixed asset write downs</b>	878.7	685.7	+30.3%
Net gain on disposal of investments	10.9	–	–
Amounts written off fixed asset investments	(113.9)	–	–
Net interest payable and similar charges	(114.7)	(84.9)	-34.4%
<b>Profit on ordinary activities before taxation</b>	661.0	600.8	+11.6%
Tax on profit on ordinary activities	(202.8)	(180.2)	-16.1%
<b>Profit on ordinary activities after taxation</b>	458.2	420.6	+9.7%
Minority interests	(22.0)	(18.6)	-21.7%
<b>Profit attributable to ordinary share owners</b>	436.2	402.0	+9.1%
Ordinary dividends	(83.0)	(62.1)	+36.4%
<b>Retained profit for the year</b>	353.2	339.9	+3.9%
<b>PBIT<sup>1</sup></b>	902.5	710.5	+31.7%
<b>PBIT<sup>1</sup> margin</b>	14.0%	14.5%	
<b>PBT<sup>1</sup></b>	787.8	625.6	+28.4%
<b>Headline earnings per share<sup>3</sup></b>			
Basic earnings per ordinary share	51.2c	51.1c	+1.4%
Diluted earnings per ordinary share	49.2c	49.4c	+0.9%
<b>Standard earnings per share</b>			
Basic earnings per ordinary share	39.6c	48.1c	-13.3%
Diluted earnings per ordinary share	38.1c	46.7c	-13.6%
<b>Headline earnings per ADR<sup>3</sup></b>			
Basic earning per ADR	€2.56	€2.44	+1.4%
Diluted earnings per ADR	€2.46	€2.34	+0.9%
<b>Standard earnings per ADR</b>			
Basic earnings per ADR	€1.98	€2.41	-20.3%
Fully diluted earnings per ADR	€1.91	€2.33	-20.5%

<sup>1</sup> PBIT: Profit on ordinary activities before interest and taxation, excluding goodwill charges, investment gains and write downs.

PBT: Profit on ordinary activities before taxation, excluding goodwill charges, investment gains and write downs.

<sup>2</sup> The 2000 profit and loss account has been restated as a result of the implementation of FRS17 (Retirement Benefits) in the Group's 2001 financial statements.

<sup>3</sup> Headline earnings per ordinary share and ADR excludes goodwill charges, investment gains and write downs.

**WPP GROUP PLC**  
**Unaudited preliminary consolidated balance sheet as at 31 December, 2001**  
**Presented in Euros for illustrative purposes only**

	<b>2001</b>	<b>2000</b>
	€m	Restated <sup>1</sup> €m
<b>Fixed assets</b>		
Intangible assets:		
Corporate brands	1,550.6	1,511.6
Goodwill	<u>7,246.8</u>	<u>5,565.0</u>
	8,797.4	7,076.6
Tangible assets	706.4	620.9
Investments	903.4	877.5
	<u>10,407.2</u>	<u>8575.0</u>
<b>Current assets</b>		
Stocks and work in progress	386.7	383.6
Debtors	3,903.9	3,470.4
Debtors within working capital facility:		
Gross debts	540.3	739.7
Non-returnable proceeds	<u>(134.7)</u>	<u>(368.5)</u>
	405.6	371.2
Current asset investments	125.4	–
Cash at bank and in hand	955.8	1,698.8
	<u>5,777.4</u>	<u>5,924.0</u>
<b>Creditors:</b> amounts falling due within one year	<u>(7,054.4)</u>	<u>(6,766.4)</u>
<b>Net current liabilities</b>	<u>(1,277.0)</u>	<u>(842.4)</u>
<b>Total assets less current liabilities</b>	9,130.2	7,732.6
<b>Creditors:</b> amounts falling due after more than one year (including convertible loan note)	(2,793.5)	(2,036.1)
<b>Provisions for liabilities and charges</b>	(173.2)	(156.2)
<b>Net assets excluding pension provision</b>	6,163.5	5,540.3
Pension provision	(220.8)	(139.6)
<b>Net assets including pension provision</b>	5,942.7	5,400.7
<b>Capital and reserves</b>		
Share capital	187.7	176.9
Reserves	5,687.9	5,185.3
<b>Share owners' funds</b>	5,875.6	5,362.2
Minority interests	67.1	38.5
<b>Total capital employed</b>	5,942.7	5,400.7

<sup>1</sup> The 2000 balance sheet has been restated as a result of the implementation of FRS17 (Retirement Benefits) in the Group's 2001 financial statements.